

been cleared and in 'principle' approval for disinvestment in another 13 companies has been granted.

Restructuring Proposals of HMT Ltd.

2380. SHRI J. CHITHARANJAN:
SHRI V.V. RAGHAVAN:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that the restructuring proposal of the Hindustan Machine Tools Ltd. (HMT) has been sent to a group of ministers (GOM); and

(b) if so, the details of the proposal and decision taken on the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) A proposal on the turnaround plan of HMT was referred to a Group of Ministers, whose recommendations have been approved by the Government. The salient features of the approved turnaround plan are as under:

- (i) Conversion of GOI loan of Rs. 39.70 crore into equity and write-off of interest accrued thereon of Rs. 12.74 crore.
- (ii) Infusion of fresh equity of Rs. 250 crore.
- (iii) Five unviable units to be closed down and Voluntary Retirement Scheme (VRS) extended to the 454 employees.
- (iv) Government to guarantee issue of bonds by HMT to raise Rs. 469 crore for funding VRS for retiring 6493 employees within 2 years and provide interest subsidy of 50% along with guarantee fee waiver.
- (v) The Machine Tool and Watch Group would be converted into subsidiaries by 31.12.2000. These subsidiaries would

be disinvested in upto 74%. Subsidiarisation of and disinvestment in the Tractor Division would also be undertaken on a time-bound basis.

- (vi) Watch Factory, Srinagar would be constituted as a subsidiary and be provided, for a period of three years, annual budgetary support as grant-in-aid to meet actual wages and salary outgo as per audited accounts in respect of employees posted at Srinagar.
- (vii) Government will extend guarantee of Rs. 40.43 crore for a period of two years to the Company to avail of working capital loan for the Watch subsidiary from banks.
- (viii) Rs. 15.10 crore will be given towards equity for incurring capital expenditure during 2000-01.

Purchase Order with HEC, Ranchi

†2381. SHRI VIJAY SINGH YADAV: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the details of purchase order with Heavy Engineering Corporation, Ranchi (Bihar);

(b) whether HEC has made necessary improvements in its working;

(c) if so, the details of profit/losses of HEC during the last three years;

(d) the number of officers and employees of HEC at present; and

(e) the details of steps taken to improve the performance of employees of HEC?

THE MINISTER OF STATE IN THE MINISTRY OF
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

†Original notice of the question was received in Hindi.